

Message Text

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SUBJ: PRESS BRIEFING OF USYG DE SEYNES ON MULTINATIONAL
CORPORATIONS

SYNOPSIS OF BRIEFING BY USGY DE SEYNES ON REPORT
EMINENT PERSONS ON MULTNATIONAL CORPORATIONS REPEATED
BELOW.

PHILIPPE DE SEYNES, UNDER-SECRETARY-GENERAL FOR ECONOMIC
AND SOCIAL AFFAIRS, IN A PRESS BRIEFING THIS AFTERNOON
FOLLOWING THE RELEASE OF THE REPORT ON MULTINATIONAL COR-
PORATIONS (DOCUMENT E/5500/ADD.1), SAID THAT THE GROUP
OF INTERESTING INTERNATIONAL PHENOMENA OF TODAY", NAMELY,
THE IMPACT OF MULTINATIONAL CORPORATIONS ON DEVELOPMENT
AND INTERNATIONAL RELATIONS.

EXPRESSING HIS GRATITUDE TO THE GROUP AND TO ITS CHAIRMAN,
L.K. JHA (INDIA), MR. DE SEYNES NOTED THAT THE REPORT
CONTAINED A LARGE MEASURE OF BASIC AGREEMENT AMONG
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THE EXPERT-MEMBERS, DESPITE THE FACT THAT IT COVERED

A WIDE RANGE OF POLITICAL AND ECONOMIC PROBLEMS. HE SAID THAT THE COMMENTS BY THE INDIVIDUAL MEMBERS, AS CONTAINED IN PART IXX OF THE REPORT, WERE PRESENTED IN THE FORM OF QUALIFICATIONS, INTERPRETATIONS, ADDITIONS AND CRITICISMS. CRITICAL COMMENTS HAD CONTRIBUTED TO THE ENRICHMENT OF THE REPORT, MR. DE SEYNES SAID, RECALLING THAT HE HAD EXPRESSED IN THE PAST HIS HOPE THAT THE GROUP WOULD NOT LOOK FOR THE "LOWEST COMMON DENOMINATOR".

THE GROUP UNANIMOUSLY AGREED ON THE NEED FOR A CONTINUOUS REVIEW OF THE SUBJECT UNDER THE UNITED NATIONS SYSTEM; THE MEMBERS FURTHER EXPRESSED THE VIEW THAT THE ATTITUDE OF "BENIGN NEGLECT" ON THE PART OF INTERNATIONAL ORGANIZATIONS WAS NOT CALLED FOR UNDER THE PRESENT CIRCUMSTANCES. IN THIS LIGHT, THE GROUP HAD RECOMMENDED THE CREATION OF A PERMANENT COMMISSION ON MULTINATIONAL CORPORATIONS, UNDER THE ECONOMIC AND SOCIAL COUNCIL AND CONSISTING OF INTERNATIONALLY DISTINGUISHED PERSONS APPOINTED BY THE SECRETARY-GENERAL. THE FUNCTION OF THE PROPOSED COMMISSION, MR. DE SEYNES ADDED, WOULD BE TO ADVISE THE ECONOMIC AND SOCIAL COUNCIL ON MATTERS RELATED TO MULTINATIONAL CORPORATIONS AS WELL AS THE INITIATE PROGRAMMES OF STUDY AND ACTION, AND TO PROVIDE A BASIS FOR FUTURE INSTITUTIONAL DEVELOPMENT.

THE GROUP ALSO RECOGNIZED THE NEED FOR A "SOLID BASIS OF INFORMATION" FOR FURTHER ELUCIDATION OF THE PROBLEM, AND RECOMMENDED THAT AN INFORMATION AND RESEARCH CENTRE BE ESTABLISHED FOR THIS PURPOSE, MR. DE SEYNES SAID. THE PROPOSED CENTRE WOULD BE LINKED TO THE COMMISSION ON MULTINATIONAL CORPORATIONS WHICH, IN TURN, WOULD REPORT TO THE ECONOMIC AND SOCIAL COUNCIL.

ASKED IF THE GENERAL ASSEMBLY NEEDED TO APPROVE THE RECOMMENDATIONS MADE BY THE GROUP, MR. DE SEYNES STATED THAT THE ECONOMIC AND SOCIAL COUNCIL HAD THE AUTHORITY TO DECIDE ON THE CREATION OF THE PROPOSED COMMISSION OR THE CENTRE; HOWEVER, ONLY THE GENERAL ASSEMBLY COULD PROVIDE THE FUNDS FOR SUCH UNDERTAKINGS.

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IN RESPONSE TO A QUESTION, MR. DE SEYNES SAID THAT THE REPORT OF THE GROUP WOULD BE SUBMITTED TO THE JULY (FIFTY-SEVENTH) SESSION OF THE ECONOMIC AND SOCIAL COUNCIL IN GENEVA.

WHERE IN THE UNITED NATIONS CHARTER WAS THE ORGANIZATION AUTHORIZED TO REGULATE THE ACTIVITIES OF MULTINATIONAL CORPORATIONS? A CORRESPONDENT ASKED. MR. DE SEYNES SAID THAT THE UNITED NATIONS WAS NOT REGULATING ANYTHING IN THIS

RESPECT; ANY SUCH REGULATIONS SHOULD BE MADE IN ACCORDANCE WITH INTERNATIONAL AGREEMENTS THAT MIGHT BE WORKED OUT IN THE FUTURE.

ASKED TO COMMENT ON THE CRITICISM MADE BY ONE MEMBER OF THE GROUP -- SENATOR JACOB JAVITS OF THE UNITED STATES -- ON THE FUNDAMENTAL CONFLICT BETWEEN THE ECONOMIC OBJECTIVES OF MULTINATIONAL CORPORATIONS AND THE POLITICAL AIMS OF THE HOST COUNTRIES, MR. DE SEYNES SAID THAT, PERHAPS, ONE SIGNIFICANT POINT WAS THAT CRITICISM OF THIS SORT WAS NOT COMMON AMONG THE GROUP.

IN REPLY TO ANOTHER QUESTION, MR. DE SEYNES SAID THE SO-CALLED "LOVE-HATE RELATIONSHIP" BETWEEN THE DEVELOPING COUNTRIES AND THE MULTINATIONAL CORPORATIONS REFLECTED IN A CRUDE WAY THE EXISTING AMBIVALENCE OF EMOTIONS AND FEELINGS BETWEEN THE PARTIES. HE SAID THAT HE COULD NOT TELL AT THIS POINT IN TIME WHETHER THE ANALYSIS OF THIS STATE OF BEING, BY THE PROPOSED COMMISSION, MIGHT RESEMBLE THE WORK OF THE COMMITTEE OF 24 ON DECOLONIZATION, AS THE CORRESPONDENT HAD IMPLIED. THE WORK OF THE PROPOSED COMMISSION WOULD CERTAINLY CONTRIBUTE TO THE DE-MYSTIFICATION AND ELUCIDATION OF THE PROBLEM, MR. DE SEYNES ADDED.

TO ANOTHER QUESTION, MR. DE SEYNES SAID THAT THE GROUP HAD ACKNOWLEDGED THE FACT THAT THE PRESENT REPORT WAS LACKING IN ITS ANALYSIS OF THE PROBLEMS OF INTERNATIONAL BANKING.

ASKED HOW ECONOMIC ACCOUNTABILITY COULD BE ESTABLISHED BY THE COMMISSION BEFORE POLITICAL ACCOUNTABILITY WAS ATTAINED, MR. DE SEYNES SAID THAT THE ESTABLISHMENT OF AN INTERNATIONAL FORUM SHOULD NOT NECESSARILY WAIT UNTIL THE POLITICAL ENTITIES BEGAN TO BEHAVE ACCORDING
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TO EXPECTATIONS.

IN RESPONSE TO ANOTHER QUESTION, MR. DE SEYNES SAID THAT A PUBLIC ENTERPRISE COULD NOT AUTOMATICALLY BE ASSUMED TO BE THE POLITICAL ARM OF A GOVERNMENT.
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